

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 SWF-02 AID-20 AGR-20 AEC-11

CEA-02 CIAE-00 CIEP-02 COME-00 DODE-00 FEA-02 FPC-01

H-03 INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07

RSC-01 SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00 DRC-01

/167 W

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P R 211843Z MAY 74

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC PRIORITY 7081

INFO AMEMBASSY GUATEMALA

AMEMBASSY SAN SALVADOR

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY TEGUCIGALPA

UNCLAS SAN JOSE 1929

E.O. 11652: N/A

TAGS: EAGR CS

SUBJECT: WORLD FERTILIZER SITUATION: LDC PRODUCTION PROBLEMS

REF: (A) STATE 095838 (B) SAN JOSE 0966

1. MISSION AGAIN CONTACTED FERTICA WHICH HAS ONLY FERTILIZER PRODUCTION PLANT IN COSTA RICA AND IS ALSO ONLY NITROGEN PRODUCT PLANT IN CENTRAL AMERICA. FERTICA ACCOUNTS FOR 60 TO 65 PERCENT OF ALL FERTILIZER SALES IN COSTA RICA. BALANCE COMES FROM DIRECT IMPORTS AND 2 MIXING PLANTS.

2. FERTICA REPORTS THAT THEIR PLANT OPERATING AT MORE THAN 100 PERCENT OF INSTALLED CAPACITY. THIS POSSIBLE DUE TO EQUIPMENT ADDED SINCE ORIGINAL CONSTRUCTION. THEY INDICATE NO TECHNICAL PROBLEMS IN COSTA RICA.

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3. FERTICA REPORTS NO GOVERNMENT CONTROLS ON PRICES OR

WALES THAT WOULD LIMIT THEIR ABILITY TO PRODUCE NITROGEN PRODUCTS. THEY EXPECT 1974 SALES IN COSTA RICA TO BE INCREASED FROM 1973. THEY HAVE MADE AGREEMENT TO PROVIDE EXPORT PREFERENCE TO OTHER CENTRAL AMERICAN COUNTRIES.

4. FERTICA IS ALREADY USING TVA AS CONSULTANT FOR GUATEMALA AND EL SALVADOR PLANTS (NON-NITROGEN PRODUCT PLANTS). THEY CLAIM TO HAVE GOOD RAPPORT WITH TVA AND CONSIDER THEM TOP CONSULTANT. AT PRESENT TIME, THEY SEE NO NEED FOR CONSULTATION IN COSTA RICA AND DOUBT THAT TVA WOULD BE EFFECTIVE AS COSTA RICAN PLANT OF FRENCH DESIGN.

5. SURPRISINGLY, FERTICA REPORTED NO PROBLEMS IN OBTAINING OFFERS FOR RAW MATERIALS AT THIS TIME. THEY STATED, HOWEVER, THAT A PRICE MUST BE PAID. THEY DID EXPRESS CONCERN FOR RAW MATERIALS OVER NEXT 2 YEARS AND ARE COUNTING UPON U.S. AS SOURCE. THEY VIEW SITUATION AFTER AUGUST 1974 AS VERY CRITICAL FOR RAW MATERIALS.

6. FERTILIZER PROBLEM NOT REVIEWED WITH GOCR SINCE FERTICA HAS ONLY PLANT AND GOVERNMENT POLICY (NO PRICE OR OTHER CONTROLS) DOES NOT APPEAR TO BE LIMITING PRODUCTION OF NITROGEN PRODUCTS.
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Message Attributes

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Concepts: LESS DEVELOPED COUNTRIES, FERTILIZERS, PRODUCTION DATA
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Copy: SINGLE
Draft Date: 21 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SANJO01929
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740126-0446
From: SAN JOSE
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Review Markings:

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30 JUN 2005

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Status: NATIVE
Subject: WORLD FERTILIZER SITUATION: LDC PRODUCTION PROBLEMS
TAGS: EAGR, CS, FERTICA
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